B 92/990

ASCS Commodity Fact Sheet

BURLEY TOBACCO

Summary of 1990 Support Program and Related Information

United States Department of Agriculture

Agricultural Stabilization and Conservation Service

April 1990

LEGISLATIVE AUTHORITY

Farm marketing quotas on a poundage basis are in effect for 1990-crop burley tobacco. Public Law 92-10, approved April 14, 1971, amended the Agricultural Adjustment Act of 1938, as amended, to provide for poundage quotas for burley tobacco in lieu of farm acreage allotments. Producers voting in referendum from February 21-March 2, 1989, approved the poundage program for the 1989-91 crop years by 97.8 percent of those voting. The marketing year for burley tobacco begins October 1. Public Law 99-272, approved April 7, 1986, further amended the program authority by revising the calculations for the marketing quota and price support level.

MARKETING QUOTAS

The national marketing quota for the 1990 burley crop is 602 million pounds, 2.5 percent more than the quota announced for the 1989 crop. Under poundage marketing quotas, if the marketings from a farm are less than the poundage quota for the farm, the difference is added to the farm's quota for the next crop year. Marketings above a farm's poundage quota are deducted from the next crop year's quota. Beginning with the 1986 crop, marketings in excess of 103 percent of a quota are subject to penalty and are ineligible for loan.

LOAN LEVEL

The national average loan level for the 1990-crop burley tobacco will equal 155.8 cents per pound, 2.6 cents more than the 1989 crop.

NO NET COST TOBACCO ACCOUNT

As a condition of price support eligibility, both burley tobacco farmers and buyers must agree to contribute 1.0 cents per pound of tobacco marketed to a no net cost tobacco account set up by the associations to ensure the operation of the tobacco price support program at no net cost to the taxpayer.

LOAN METHOD

The loan program is made available to burley tobacco growers through the Burley Tobacco Growers Cooperative Association and the Burley Stabilization Corporation under contractual terms with the Commodity Credit Corporation. Loans are made available for all producers on marketings up to 103 percent of the poundage quota for the farm on which the tobacco was grown. Producers are required to certify that pesticides used on price support loan tobacco have been approved by the Environmental Protection Agency and that these products have been used in accordance with the label direction.

LOAN INVESTMENT

As of January 1, 1990, 147 million pounds of burley tobacco, farm sales weight, valued at $302 million were held under government loan. One year earlier, the quantity under loan and in CCC inventory totaled 209 million pounds and was valued at $406 million.

This Program or Activity will be Conducted on a Nondiscriminatory Basis Without Regard To Race, Color, Religion, National Origin, Age, Sex, Marital Status, or Disability.

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BURLEY TOBACCO

Crop Year	National Marketing Quota (million lbs.)	Production (million lbs.)	National Average Support Price (cents per lb.)	No-Net-Cost Assessment (cents per lb.)	Average Price to Farmers (cents per lb.)	Farm Value (million $)
1960		484.7	57.2		64.3	311.5
1961		580.3	57.2		66.5	386.1
1962		674.9	57.8		58.6	395.4
1963		755.1	58.3		59.2	446.7
1964		619.8	58.9		60.3	373.8
1965		586.3	59.5		67.0	392.8
1966		586.7	60.6		66.9	392.5
1967		540.6	61.8		71.8	388.2
1968		563.4	63.5		73.7	415.1
1969		591.4	65.8		69.6	411.6
1970		560.5	68.6		72.2	404.9
1971	555	472.6	71.5		80.9	382.4
1972	532	590.3 [1]	74.9		79.2	467.7
1973	560	461.9	78.9		92.9	429.3
1974	606	610.4	85.8		113.7	694.0
1975	670	638.3	96.1		105.5	674.0
1976	635	663.8	109.3		114.2	758.1
1977	636	612.5	117.3		120.0	735.0
1978	614	617.6	124.7		131.2	810.3
1979	614	445.8	133.3		145.2	647.3
1980	614	557.5	145.9		165.9	924.9
1981	660	725.6	163.6		180.7	1,311.2
1982	680	776.7	175.1	1.0	181.0	1,405.8
1983	647	526.7	175.1	5.0	177.3	933.8
1984	582	673.7	175.1	9.0	187.6	1,263.9
1985	524	541.9	148.8 [2]	4.0 [3]	159.4	863.8
1986	493	419.8	148.8	2.75 [4]	156.5	657.0
1987	464	427.5	148.8	2.0 [5]	156.3	668.2
1988	473	468.1	150.0	0.8 [5]	161.1	754.1
1989	588	500.0	153.2	0.83 [5]	167.2	836.0
1990	602		155.8	1.00 [5]		

1. Marketings beginning in 1972.
2. Reduced from 178.8 by Public Law 99-157, November 15, 1985.
3. Reduced from 30 cents by P.L. 99-157.
4. In addition, 1-1. 4 cents applied for buyers.
5. For both producers and buyers.

(For statistics for the years 1940 through 1959, see "Burley Tobacco Commodity Fact Sheet," dated April 1978.)